

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Modernizing the E-rate) WC Docket No. 13-184
Program for Schools and Libraries)
)

To: The Commission

**COMMENTS OF
THE STATE OF HAWAII**

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September 16, 2013

SUMMARY

Schools and libraries in Hawaii face unique challenges to secure access to affordable, high-quality broadband service due to the well-documented broadband deployment obstacles in the State. The E-rate program is instrumental to the State's ability to ensure access to broadband for these institutions. Hawaii therefore is keenly interested in the Commission's review and update of the E-rate program, and provides comments relevant to the particular circumstances of Hawaii, as well as those schools and libraries in rural, remote, and insular areas.

As a threshold matter, the Commission should refrain from altering the focus of the E-rate program away from those schools and libraries in rural, remote, or economically disadvantaged areas. The goal of the universal service program in general, and a major role of the E-rate program specifically, is to provide targeted support to those communities that for economic or geographic reasons have the least access to necessary communications services. By their nature, universal service programs seek equitable distributions rather than equal ones. Hawaii believes that the current review should not upset this longstanding principle, as seeking overbroad distribution of the limited fund would not be efficient and would not accomplish this important goal. Proposals such as per-megabit and per-student price caps, reducing the discount matrix, and eliminating the rural and remote discount may inadvertently disqualify those areas with the greatest need or push the cost of services out of reach. By their nature rural and remote areas that remain unserved or underserved are special cases, and the program requires the flexibility to meet their needs.

Hawaii supports the Commission's proposals to increase program efficiency by facilitating long-term cost savings by permitting the construction of Wide Area Networks and the gradual phasing down of support for legacy services. The Commission's attention to the use of

E-rate services for educational purposes and how to determine the reasonable needs of a given applicant are also commendable, but on these latter two proposals Hawaii is concerned that overly invasive regulation may have the effect of reducing efficiency rather than promoting it, while also reducing the value of the program by creating constraints and uncertainty for applicants.

Finally, the Commission can ensure that limited funds are put to the greatest effect by reducing, where possible, the paperwork and administrative burdens associated with the program. Hawaii notes with approval that many of the proposals in the NPRM will increase the efficiency and effectiveness of the program by reducing or eliminating administrative burdens on applicants and the Commission. In considering the many proposals raised in the NPRM, the Commission should take care not to offset these gains through the imposition of new burdensome requirements.

Table of Contents

I. THE COMMISSION SHOULD CONTINUE TO RECOGNIZE THE NEED FOR AN EQUITABLE DISTRIBUTION OF LIMITED E-RATE FUNDING THAT TARGETS THOSE SCHOOLS AND LIBRARIES WITH THE GREATEST NEED	2
II. PROGRAM EFFICIENCY CAN BE INCREASED BY FOCUSING E-RATE FUNDS ON SUPPORTING BROADBAND, BUT SUPPORT FOR CRITICAL FUNCTIONS SHOULD BE MAINTAINED.....	9
III. REDUCING PAPERWORK AND ADMINISTRATIVE BURDEN WHERE POSSIBLE WILL INCREASE THE EFFECTIVENESS OF THE E-RATE PROGRAM	11
IV. CONCLUSION	15

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The State of Hawaii,¹ by its attorneys, submits these comments in response to the Commission’s Notice of Proposed Rulemaking (“NPRM”) regarding modernizing the E-rate program for schools and libraries.²

The Department of Education (“DOE”) is the administrator for all public schools in the State, which together form the only statewide public education system in the United States. Most of the State’s 288 public schools are in Honolulu and greater O’ahu, but approximately one third of the State’s schools are on the six major islands and Ni‘ihau. Similarly, the Hawaii State Public Library System (“HSPLS”) is the nation’s only statewide public library system, serving fifty libraries on the six major islands, including twenty-four libraries on Oahu and twenty-six on the neighbor islands. As the State has explained in the past, many areas of Hawaii are rural, remote, and insular, and subject to the broadband deployment challenges of low population density, varied topography, and extreme weather that drive up broadband costs and reduce

¹ The State is filing these comments through its Department of Education, the Hawaii State Public Library System, and the Department of Commerce and Consumer Affairs (“DCCA”).

² *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Notice of Proposed Rulemaking, FCC 13-100 (rel. July. 23, 2013) (“NPRM”).

availability.³ As a result, Hawaii’s schools and libraries depend on the E-rate program to ensure that affordable, 21st-century broadband service is available to students and communities for whom these services would otherwise be cost prohibitive. The DOE and HSPLS therefore have a significant interest in the instant review and modernization of the E-rate program, and provides these comments to assist the Commission in considering the particular needs of schools and libraries in rural and remote areas such as those in Hawaii.

I. THE COMMISSION SHOULD CONTINUE TO RECOGNIZE THE NEED FOR AN EQUITABLE DISTRIBUTION OF LIMITED E-RATE FUNDING THAT TARGETS THOSE SCHOOLS AND LIBRARIES WITH THE GREATEST NEED

In an effort to make E-rate funding go further, the NPRM proposes several measures to reduce and reapportion the limited E-rated funds. Hawaii recognizes the need to deploy limited resources efficiently, but urges the Commission to take care that changes do not abandon the longstanding goal of the program that “economically disadvantaged schools and libraries, as well as schools and libraries located in high cost areas, shall receive greater discounts to ensure that they have affordable access to supported services.”⁴ Throughout this review of the E-rate program, the Commission should continue to seek equitable distribution—taking into account the “different needs and different resources” of diverse areas—rather than rigidly equal distribution.⁵

Per-megabit price caps: The Commission considers whether the existing safeguards of matching requirements and competitive bidding should be augmented with a maximum per-

³ See, e.g., Comments of the State of Hawaii, Ninth Broadband Progress Notice of Inquiry, WT Docket, GN Docket No. 12-228 at 2-3 (Sept. 20, 2012); Reply Comments of the State of Hawaii, WC Docket Nos. 10-90, et al. (May 23, 2011).

⁴ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 97-157 ¶ 425 (1997); see also ¶ 470 (citing Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Recommended Decision, 12 FCC Rcd 87, 372 et. seq. (1996)) (“*Recommended Decision*”).

⁵ See *Recommended Decision* at 373 (quoting Senate Working Group further comments at 2-3).

megabit price cap on services that are eligible for discounts.⁶ The Commission recognizes that such a cap may require exceptions in certain circumstances, and may have a particular impact on schools and libraries in areas that lack competition for high-capacity broadband.⁷

Such a rigid cap could have the effect of inadvertently disqualifying areas where E-rate support is most needed, in those rural, remote, and Tribal areas where high-capacity bandwidth is least available and most expensive to provide. Hawaii believes that instituting a price-per-megabit cap may indeed provide schools and libraries with greater leverage in soliciting services in areas with greater competition and relatively lower cost to provide service. For schools and libraries in more remote areas with little competition and high cost of service, however, such caps may restrict the choices of service quality available, or preclude them from acquiring services altogether.

Although the Commission appropriately acknowledges that exceptions may be available, this process would impose an additional administrative hardship on those institutions most in need of E-rate funding and least able to bear the additional administrative burden. Furthermore, the premise that high-need schools and libraries would be exceptions to the rule is inconsistent with the goal of the E-rate program to provide targeted assistance to those areas with the greatest need. It is well established that waivers are appropriate where the “particular facts would make strict compliance inconsistent with the public interest”⁸ and when the requested relief would not

⁶ *NPRM*, ¶ 89.

⁷ *Id.*

⁸ See *AT&T Wireless Services, Inc. et al. v. Federal Communications Commission*, No. 00-1304 (D.C. Cir. 2001), citing *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (“*Northeast Cellular*”).

undermine the policy objective of the rule in question.⁹ In the case of the E-rate program, schools and libraries facing high costs of service and insufficient telecommunications budgets are the rule, not the exception. The Commission should therefore refrain from instituting a cap, or ensure that any such cap can effectively accommodate schools and libraries in remote, high-cost, and low-competition areas without imposing additional administrative burdens.

Setting budgets or limits: The Commission also considers creating an absolute cap on the amount of E-rate funds that can be spent on each student per year in a community, regardless of the actual cost of providing broadband services to that student's school.¹⁰ Recognizing that such a proposal could have the unintended effect of arbitrarily limiting the amount of E-rate funding available to schools and libraries in the most expensive areas, the NPRM also considers opportunities for upward adjustments to the cap in "more expensive-to-serve locations."¹¹

Like the proposal for per-megabit caps, an absolute cap on the funds available per student would be inappropriate for schools in remote areas because often the only service available, regardless of the number of providers, is likely to cost significantly more than would be covered by a per-student or per-megabit cap that would be reasonable in less remote areas. Hawaii can be considered insular in many ways. As a result of its many rural and remote areas, as well as rugged terrain, many schools in Hawaii are extremely difficult and costly to serve by any method. Thus, Hawaii believes that a cap could have the effect of inadvertently disqualifying areas where E-rate support is most needed: in those rural, remote, and Tribal areas where high-capacity bandwidth is least available and most expensive to provide. As discussed above, any

⁹ See generally, *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969), cert. denied, 409 U.S. 1027 (1972); see also *Northeast Cellular* (D.C. Cir. 1990).

¹⁰ *Id.*, ¶ 135.

¹¹ *Id.*, ¶ 138.

exception or upward adjustment mechanism is likely to impose additional administrative burdens on the schools and libraries that are least able to bear them. Instead, the Commission should forgo imposing a cap on the E-rate funds that can be spent on each student per year in a community.

Modifying the discount matrix: The Commission proposes to gradually increase applicants' matching requirement, such as by reducing the 90 percent discount level to 80 or 70 percent, and also reducing some of the other discount levels.¹² The Commission suggests that such a reduction may encourage more cost-effective purchasing by applicants and seeks comment on whether such reductions might deter broadband investment in poor communities by increasing the local share of the cost that must be borne by those communities.¹³

As discussed above, Hawaii believes that a major function of the E-rate program is to provide support for those schools and libraries with the greatest need, such as in impoverished communities and in areas where it is prohibitively expensive to provide broadband service. In such communities, even ten percent of the total cost can be a significant investment for cash-strapped schools. Thus, a doubling or tripling of the matching requirement could place services out of reach for many of these schools and libraries, a result contrary to the program's goal of ensuring affordable access to and use of E-rate services even in cases where such services are not affordably available.

Hawaii is sympathetic to the need to ensure that all E-rate applicants are judicious and cost-effective in their purchases of services. Hawaii believes, however, that the existing review

¹² *Id.*, ¶¶ 118-119.

¹³ *Id.*, ¶ 122.

processes function as well at the 90 percent matching level as they do at other matching levels, while preserving the ability to fund the neediest cases.

Support based on district-wide eligibility: The NPRM asks whether funding applications should be submitted by school districts rather than individual schools, resulting in a system in which eligibility for funds would be averaged across an entire district, rather than assessed on a school-by-school basis.¹⁴

Given that all of Hawaii forms one school district and one public library system, Hawaii's classification under this proposal would not reflect the reality of many communities in the State and could result in significant decreases in funding to the system as a whole. Hawaii has many individual schools in areas that are clearly rural and remote by any measure, and the Commission should ensure that any rule change contemplated is able to individually take such schools into account.

Hawaii acknowledges the Commission's argument that in most school districts, including Hawaii, budgetary processes are undertaken on a district-wide basis. The fact that the cost of providing modern broadband services could, potentially, be averaged across a district does not alter the public policy justification for providing federal E-rate support to assist children in need in those communities. E-rate, as a universal service program, is appropriately intended to apportion across the entire nation the cost of providing modern communications services to poor and high cost areas.

Further, a process that would assess eligibility on a district-wide basis would invariably discriminate against larger districts that may have been originally formed to ensure the educational needs of all elements of a diverse community, including the poor. In contrast, such

¹⁴ *Id.*, ¶ 126.

an approach would inappropriately benefit jurisdictions that have isolated poor communities into discrete and under-funded small school districts.

Rural and Remote Discount: The Commission proposes to eliminate the five to ten percent additional discount that is currently available to schools and libraries in rural and remote areas that receive a discount of 60 percent or less based on their eligibility as calculated through the E-rate discount matrix.¹⁵ The additional five to ten percent discount was created in recognition that the cost of providing broadband in rural and remote areas is much higher than in urban areas.¹⁶

In fact, the additional cost to obtain service in rural and remote areas is often significantly greater than five to ten percent. Schools in these areas bear the dual burden of poverty and expensive broadband service, but the current E-rate rules do not adequately account for this circumstance. Hawaii believes that the Commission’s goal of “equitable” distribution of funds is best served by ensuring that schools and libraries in remote/rural areas continue to benefit from the additional five to ten percent discount.

Definition of Rural Areas: The NPRM also proposes to update the definition of “rural areas” to use the U.S. Department of Education’s National Center for Education Statistics (“NCES”) urban-centric locale codes.¹⁷ Schools that are within a territory that is classified as “town-distant,” “town-remote,” “rural-distant,” or “rural-remote” will be considered rural for purposes of calculating its E-rate discount level. The Commission seeks comment on how

¹⁵ *Id.*, ¶¶ 60, 133.

¹⁶ *Id.*, ¶ 133.

¹⁷ *Id.*, ¶ 277.

reclassification would affect schools and libraries, and whether any changes should be phased in to help affected institutions adjust to the loss of funding.¹⁸

The NCES locale codes are a more accurate classification of rural areas than the system currently employed by the Commission. Hawaii believes, however, that additional consideration should be given to States that are insular in nature such as Hawaii, where, although “rural” and “town” designations may be technically correct, these areas are isolated from each other by geography (such as being surrounded by large bodies of water) that greatly affect the costs of communications transport infrastructure. To this end, Hawaii would suggest that “rural-fringe” and “town-fringe” be also considered for addition to the definition for “rural areas”, or furthermore, the addition of “insular” as a designation.

State and Tribal input: The NPRM also seeks comment on whether State or Tribal governments should be given input on which schools and libraries should receive certain types of E-rate funding in their communities.¹⁹ Currently, individual schools and libraries submit applications to the Universal Service Administrative Company (“USAC”), and USAC makes decisions on which funding applications will be granted without local input.

Hawaii would support States and tribal government playing a role in shaping E-rate support. These entities represent important voices that can help the Commission make the most informed decisions about how to best support access to broadband for schools and libraries. In Hawaii, the Department of Education is a state agency, as is the Department of Hawaiian Home Lands. The Commission has recognized the Hawaiian Home Lands as a tribal area for the

¹⁸ *Id.*, ¶ 281.

¹⁹ *Id.*, ¶ 76.

purpose of USF support, and both of these agencies have extensive expertise on the needs and challenges for both education and broadband within the areas under their jurisdiction.

II. PROGRAM EFFICIENCY CAN BE INCREASED BY FOCUSING E-RATE FUNDS ON SUPPORTING BROADBAND, BUT SUPPORT FOR CRITICAL FUNCTIONS SHOULD BE MAINTAINED

The Commission proposes to update the E-rate program's funding priorities to emphasize broadband while realizing cost savings by phasing out support for legacy services.²⁰ Hawaii generally supports these proposals, with the caveat that the Commission should undertake this transition gradually and should take care not to remove support for necessary services like campus-wide networking and limited backup legacy telecommunications services.

Phasing down support for certain services: Noting the widespread adoption of mobile phones and other technologies, the Commission considers phasing out support for "outdated" services that have largely been supplanted by mobile phones and Internet, such as paging and some components of voice service such as directory assistance.²¹ The Commission also proposes to focus funding on high-capacity broadband connectivity to and within schools,²² including phasing down voice support and investing the funds in broadband capability.²³

Hawaii understands and supports a transition away from outdated technologies. Over time, the Hawaii DOE envisions a gradual transition to a predominantly broadband Voice over Internet Protocol ("VoIP") system. At this time, however, Hawaii DOE continues to require more than three million dollars per year in E-rate support for voice services and relies on these

²⁰ *Id.*, ¶ 65.

²¹ *Id.*, ¶¶ 92-95.

²² *Id.*, ¶ 103.

²³ *Id.*, ¶ 105.

legacy services for day-to-day communications. The transition from legacy voice services to VoIP is expected to progress significantly in Hawaii within five years, so a five year transition period would be adequate. After that time, some residual funding for limited wireline service would be appropriate.

Increasing support for WANs: Many schools and libraries lease Wide Area Networks (“WANs”) to provide broadband connectivity to and among their buildings. The Commission considers whether to permit applicants to seek support for construction of their own WANs as a cost-effective alternative to leasing.²⁴ Hawaii agrees that permitting schools and libraries to construct or purchase their own WANs could provide a long-term, low-cost alternative to leasing.

Educational purposes: The Commission seeks comment on whether to allow a school or library to seek support for services that will be used only by school and library staff, administrators, or board members.²⁵

Hawaii notes the Commission’s presumption that services provided on-campus serve an educational purpose.²⁶ More importantly, such networks are often constructed and operated as a whole, with security measures preventing student access to administrative portions of the network. Furthermore, use by teachers for essential activities such as lesson planning, grading, and collaboration is inherently part of the educational process. Therefore, the Commission should take a broad understanding of the educational purposes to which E-rate services can be

²⁴ *Id.*, ¶¶ 79-80.

²⁵ *Id.*, ¶ 100.

²⁶ *Id.*, ¶ 99.

put and refrain from prohibiting E-rate funds to be used to support networks that are used in part for educational support purposes.

Efficient use of funding: The Commission seeks comment on whether and how to ensure that equipment or service purchases are reasonable given the needs of the applicant.²⁷ The Commission asks whether it is reasonable to require that an applicant regularly use all of the functions provided by an E-rate purchased service, and how the Commission should monitor and enforce the efficiency of an applicant's purchasing as a function of its actual usage.²⁸

As Hawaii explained above, in some cases (such as WANs) the funding structure prohibits schools from seeking long-term, low-cost solutions. Revising such rules could increase cost-effectiveness. Hawaii does not object in principle to bright line presumptions as to what level or amount of services are reasonable, only cautioning that such presumptions should be carefully crafted and employed on a narrow basis to avoid as much as possible contributing further to the processing time or administrative burden on USAC or the applicants, as discussed in more detail in the following section of these comments.

III. REDUCING PAPERWORK AND ADMINISTRATIVE BURDEN WHERE POSSIBLE WILL INCREASE THE EFFECTIVENESS OF THE E-RATE PROGRAM

Throughout the NPRM, the Commission seeks comment on how to reduce the administrative and paperwork burden on schools and libraries applying for E-rate funding.²⁹ The Commission proposes several options to streamline the administration of the program, including moving to electronic filing of all Commission forms and USAC communications, increasing

²⁷ *Id.*, ¶¶ 211-213.

²⁸ *Id.*

²⁹ *See, e.g., id.*, ¶¶ 224; 160, 182, 193.

transparency throughout the application process, and speeding review of applications and issuance of commitment decisions, among others.³⁰

Hawaii strongly supports the Commission's recognition that the ultimate effectiveness of the E-rate program as a whole depends in part on how efficiently it can be administered, and that administrative burdens on applicants and the Commission can significantly undermine the benefits of the program. Hawaii is required to submit more than 500 forms per year as part of its E-rate application and compliance process. This administrative overhead draws personnel hours and funding away from the core goal of implementing technology programs to further education. Any streamlining of forms, deadlines, and requirements would be welcome. For one such change, Hawaii recommends that technology plans only be required, for example, every two to three years for schools with no change in their eligibility level over that period of time. The Commission could instead seek a certified statement from a school administrator that the school remains in substantially the same position as the previous year. Allowing multi-year contracts would be another possible way to reduce paperwork.

Multi-Year Contracts: The Commission proposes that—absent a change in the contract, service provider, or recipients of service—E-rate applicants with multi-year contracts that are no more than three years in length should be allowed to file a single FCC Form 471 application for the funding year in which the contract commences and go through the full review process just one time for each such multi-year contract.³¹ The NPRM seeks comment on what additional

³⁰ *Id.*, ¶ 226.

³¹ *Id.*, ¶ 241.

steps E-rate applicants should have to take in the second and third year of such contracts to confirm their request for E-rate support for the subsequent years.³²

Hawaii supports the Commission's proposal for permitting multi-year contracts and believes that this is a common sense reform that will improve the predictability of funding and streamline the application process for both applicants and the Commission. Hawaii proposes that, to confirm their E-rate support for subsequent years, applicants should estimate an amount that will not be exceeded in years two and three of the multi-year contract. Hawaii supports the Commission's proposed rule language at paragraph 241 of the NPRM.

Increased measurement requirements: The NPRM considers whether services acquired through the E-rate program may be used to assist the Commission in tracking broadband availability and affordability.³³ The NPRM proposes a range of options, from requiring E-rate applicants to specify the bandwidth or speed of services for which they seek funding,³⁴ to more invasive rules such as requiring all E-rate applicants to have dedicated equipment to measure performance to and within each building.³⁵ The Commission recognizes that such requirements could easily become burdensome, and seeks alternative approaches that would be able to provide useful information without increasing the burden on applicants.³⁶

Hawaii schools, like many others, already collect substantial performance information and usage data for their own internal use, such as total internet bandwidth utilization and WAN utilization. The state could provide these metrics to help improve the Commission's data

³² *Id.*

³³ *Id.*, ¶ 29.

³⁴ *Id.*, ¶ 31.

³⁵ *Id.*, ¶ 34.

³⁶ *Id.*, ¶ 35.

collection efforts. Likewise, it would not be unreasonable to require applicants to provide information on the bandwidth or speed of services for which they seek funding. On the other hand, requiring applicants to have dedicated monitoring equipment would increase the burden and cost on applicants as well as undermining the Commission's efforts to streamline the program requirements.

Additional measures to prevent waste, fraud, and abuse: The Commission proposes several measures to reduce waste in the E-rate program by, for instance, extending the E-rate document retention requirements,³⁷ and submission of competitive bidding documents.³⁸

Between data collection, recordkeeping, and other requirements, Hawaii spends approximately 20-30% of its communications resources on data collection and compliance. Hawaii urges the Commission to ensure that its streamlining efforts are not offset by the adoption of new administrative requirements.

Simplified allocation of funds to all schools and libraries: As an alternative to the various reforms proposed above, the Commission seeks comment on a more fundamental approach to changing the distribution of E-rate funding. These changes include eliminating the distinction between priority one and priority two services,³⁹ and even eliminating the discount matrix itself in favor of a per-student allocation.⁴⁰

Hawaii agrees with the Commission that the distribution process for E-rate support can be improved and applauds the Commission on the focused efforts in evidence in this NPRM. Hawaii does not, however, believe that the need exists for a wholesale reengineering of the

³⁷ *Id.*, ¶ 295.

³⁸ *Id.*, ¶ 298.

³⁹ *Id.*, ¶ 146.

⁴⁰ *Id.*, ¶ 149.

program. The role of the E-rate program is to provide focused support to those areas of the most need, and the current program accomplishes this goal. The existing E-rate program should therefore be refined, not re-engineered.

Coordination between universal service programs: Recognizing that there may be some overlap between the funding and obligations associated with E-rate and other universal service programs, the Commission seeks comment on how to avoid duplicative funding between these programs.⁴¹ The Commission considers whether the upcoming Connect America Cost Model could be used to establish a benchmark for the prices that an E-rate applicant should pay for broadband.

As Hawaii and others have expressed in prior proceedings, there remains a significant concern that the Connect America Cost Model (“CACM”) will not account for the increased costs that affect insular areas such as Hawaii.⁴² Thus, the CACM would not be a good benchmark for the cost of service to schools and libraries in these areas. The existing National School Lunch Program is an effective proxy for financial need and should continue to be used for the time being. Hawaii is aware that various educational organizations are investigating improvements to these metrics, but no superior system has yet been finalized and the Commission should defer to these educational organizations in their efforts.

IV. CONCLUSION

Hawaii supports the Commission’s initiative to further align the E-rate program with its mission by updating the rules and promoting efficiency in the application for and use of E-rate

⁴¹ *Id.*, ¶ 167.

⁴² Reply Comments of the State of Hawaii, Connect America Fund Phase II Support for Price Cap Carriers Serving Non-Contiguous Areas, WC Docket No. 10-90 (Mar. 23, 2013) (“*Hawaii CACM Reply*”)

funds. In doing so, the State urges the Commission to maintain the longstanding practice of targeted support to those schools and libraries that most need financial assistance to provide broadband service, either because they lack the financial resources or because the services that are available in their area are more expensive, or often-times both. Thus, the Commission should not implement proposals that would deemphasize support for those areas of the greatest need. Instead, the Commission should ensure, through an accurate definition of rural areas and through input from state and tribal governments, that USAC has the most accurate information available to make funding decisions.

Hawaii supports the Commission's proposals to increase program efficiency by facilitating long-term cost savings by permitting the construction of WANs and phasing down support for legacy voice as a primary service. The development of bright-line tests regarding what types of services and what level of use of purchased services are consistent with the goals of the program would also help promote regulatory certainty for applicants. The Commission should not, however, impose new and potentially complex new rules or compliance procedures with regard to these issues, because such regulation may have the effect of reducing efficiency rather than promoting it, while also reducing the value of the program by creating constraints and uncertainty for applicants.

Finally, the Commission must take care not to offset the efficiency created by the proposed reforms by imposing new burdens on E-rate applicants. It is axiomatic that the measure of the total effectiveness of a program is the net of any benefits to the recipients minus the administrative burdens required to obtain and maintain them. Thus, any reductions in administrative burden will speed processing, improve reliability of funding, and increase the

effectiveness of the E-rate program in ultimately increasing schools and libraries' access to broadband.

Respectfully submitted,

THE STATE OF HAWAII

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